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SUBJECT: GOP CN POLICIES: MORE GOOD NEWS THAN BAD

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Summary and Introduction:

- 11. (SBU) The last month has seen a series of lurches in GOP counternarcotics policy. On March 15, Agricultural Minister Juan Jose Salazar signed a unilateral accord with cocaleros in Tocache, promising, among other things, to suspend eradication pending the general registration of coca growers. A little over two weeks later, President Garcia swung to the other extreme, ordering Interior Minister Alva Castro "to bomb and machine gun (coca) maceration pits." In anticipation of Drug Czar Romulo Pizarro's visit to Washington, we offer our analysis on what the Garcia administration is doing right and wrong in its fight against narcotics.
- $\underline{\mathbb{1}}$ 2. (SBU) Overall, there appears to be more good news than President Garcia sees the fight against narcotics as something that touches upon Peru's core security interests and not just a sop to foreign governments. The government's public affairs posture is aimed at bringing the Peruvian public to the same conclusion. The national drug coordination office, Devida, has increased stature and its Director, Romulo Pizarro, has access to senior government officials. For the first time in years, the GOP is putting important new resources of its own into the counter narcotics effort, and it has done reasonably well with its new political strategy designed to divide the cocaleros. Finally, the GOP is talking about bringing more tools to bear, such as asset forfeiture and increased interdiction of precursor chemicals going into and processed drugs going out of drug-producing areas.
- 13. (SBU) The biggest weakness in the GOP approach is that it almost certainly overestimates the potential impact of interdiction of chemical precursors. The Garcia Administration is betting that these controls will cause stocks of unprocessed leaf to pile up, causing prices to crash and coca farmers to embrace alternative development. The GOP dislikes the social conflict engendered by eradication, and believes eradication won't reduce production if leaf prices are high and probably isn't necessary if

prices are low. Cocaleros have detected this ambiguity and turned up the level of confrontation and violence.

14. (SBU) Ironically, the disastrous Tocache Accord, which the cocaleros celebrated as a great victory, made the GOP look weak. Consequently, Garcia has now publicly embraced eradication as an important element of GOP policy and taken a tough line against negotiations with cocaleros. Romulo Pizarro has changed his position and now states that eradication is non-negotiable. Our objective, as the GOP recovers from the Tocache Accord fiasco, will be to convince the GOP to maintain its renewed commitment to eradication as part of a balanced and varied approach to the fight against narcotics. End Summary.

The GOP: A Tougher Stance Post-Tocache

- 15. (SBU) An overview of the range of GOP CN activity yields a mixed picture. The Garcia Administration has been doing a good job in demand reduction and, more importantly, an even better job in educating the public about the dangers of narcotrafficking. Peru has over one hundred thousand young people who are addicted to drugs, a catalogue of victims that clearly demonstrates that the GOP has a dog in this fight.
- 16. (SBU) Until Agricultural Minister signed the Tocache Accord on March 15 (Ref C), the Garcia Government had been content to follow the line of its predecessor, showing very little sense of urgency on counternarcotics. Salazar's capitulation, however, raised the coca issue's profile dramatically, caused commentators to openly question where the GOP was going, and this, in turn, forced the President to take a far harder line on coca cultivation and production. In April 2 remarks, Garcia publicly ordered Minister Alva Castro "to bomb and machine gun (coca) maceration pits." Though some observers dismissed this as Garcia hyperbole, the President followed up with a sterner warning in the same speech, laying out the drug issue in the starkest terms for the Peruvian public. He stated that, if illegal narcotics could not be controlled, Peru could face an insurgency like that which plagues neighboring Colombia (Ref B).
- 17. (SBU) Garcia's tougher line resonated with local opinion-shapers, a fact reflected in a Sunday 4/22 editorial in Lima daily of record "El Comercio." The piece captured the mood expressed in a number of major media and, more important, proposed a new baseline for GOP drug policy. Entitled "The Cocaleros Have to Decide: the State or (the) Drugs," the paper denounced narco-penetration of parts of Peru (including the existence of so-called "liberated zones" dominated by narco-traffickers) and called for a strengthened, integral government CN plan, including eradication and social investment, to push back against the narco-menace. The editorial also acknowledged that eradication will likely not be violence-free and called for Agricultural Minister Salazar's eventual dismissal.

CN Policy: Encouraging Deeds

18. (SBU) The GOP has undertaken a series of encouraging initiatives that reinforce the toughened public stand. For the first time in recent history, the GOP has publicly announced major investments, valued in the tens of millions of dollars, that will be focused on improving coca-growing regions, including key expenditures for infrastructure, alternative corps, and land-titling. The GOP has held fast to its pledge not to meet with cocaleros who are illegally blocking roads and, just one week after a CORAH eradication worker was murdered in Huanuco on 4/12 (Ref A), the GOP re-initiated eradication operations in the zone in question. Finally, the GOP has introduction legislation in Congress that would provide for seizure of illegally gained assets as a new tool to fight organized crime.

The Easier Step: Interdiction

19. (SBU) In its 2007 anti-drug strategy, the GOP has emphasized interdiction -- particularly of chemical precursors -- as the main method of combating the illegal drug trade. Almost everyone) from cocaleros to government officials) prefers to talk about interdiction rather than eradication, stating that such policies attack the big drug kingpins but leave the little people alone. Interdiction by itself, however, will not work. So long as coca can be grown in large areas unrestricted and at a profit, narcotraffickers will take advantage of Peru's vast and varied geography and its weak police forces to ensure that chemical precursors get to coca-producers.

The Hard Work: Eradication

- ¶10. (SBU) Until recently, many in the GOP had seen eradication as a necessary evil, which they have tolerated as part of the US policy. Given the choice, some in the GOP would rather eradication withered away as it invariably brings on social conflict. Due in part to this ambivalence, it is not likley that Peru will make its 10,000 hectare eradication goal for this year.
- 111. (SBU) Eradication is vital to a serious CN program. While it alone will not stop drug production, without its dissuasive effect, growers will continue to plant coca amidst alternative development crops or refuse alternative development altogether. Agricultural Minister Salazar's March 15 blunder energized cocaleros and set out markers) a temporary end to eradication in Tocache, a promise to survey and register (carry out an empadronamiento) of all coca growers) from which the GOP has walked back by ignoring the accords and has spoken out more forcefully. The trick will be to convince the GOP to stick to its new, tougher line.
- 112. (SBU) One aid to our effort, ironically, may be the excesses of the energized cocaleros. As the GOP has backed off from Tocache, the cocaleros have tried to run with it, and may have overreached in the process. Since March 15, GOP officials have denounced strikes and road blockages in coca producing areas. Moreover, Sendero Luminoso's 4/12 ambush of PNP and CORAH eradicators (Ref A), where five PNP officers were wounded and one civilian CORAH employee murdered, underscored President Garcia's warnings about the link between SL to narcotraffickers, has discredited striking cocaleros and hardened public opinion. Some cocalero leaders are for the first time admitting that some of their number are involved with narcotraffickers.

Comment: Salazar's Folly May Have a Silver Lining

13. (SBU) Salazar's blunder has had multiple effects, not all of them negative. It has awakened opinion-makers to the dangers posed by weakness in the face of cocalero demands, compelled Garcia and the GOP to take a more forceful line, and caused the cocaleros to overreach. Our challenge is to convince the GOP to keep its commitment to eradication as a key element in a balanced counternarcotics policy that includes interdiction, law enforcement, institutional strengthening, and alternative development.